

**Organizational Human Behavior management**

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**Lecture 14**

**Organizational Culture**



# Organizational Culture

## Questions for Consideration

- What is organizational culture?
- When is organizational culture functional?  
Dysfunctional?
- How do employees learn about the culture of their organization?

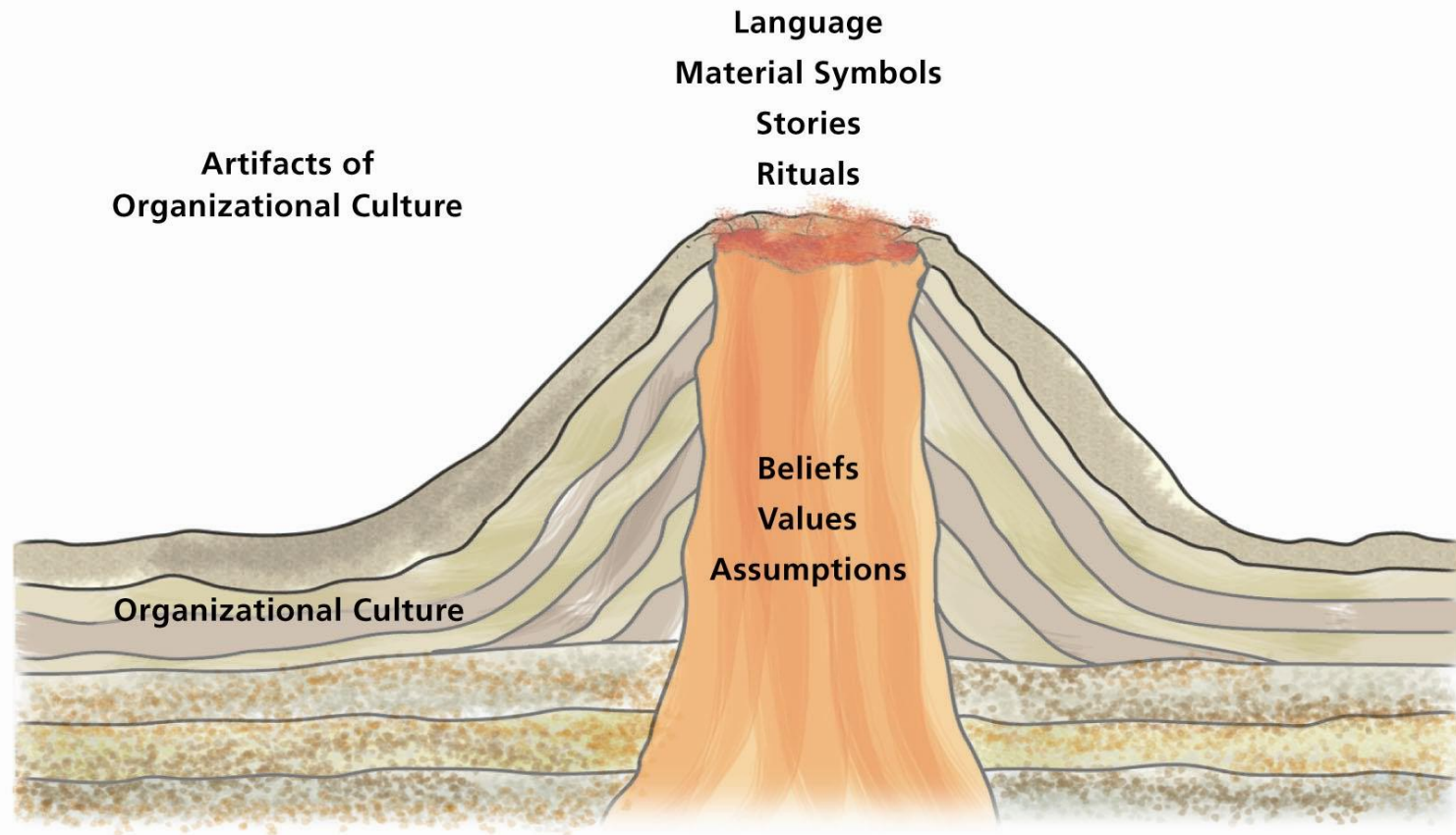
# Organizational Culture



# Organizational Culture

- The pattern of shared values, beliefs and assumptions considered to be the appropriate way to think and act within an organization.

# Exhibit 10-1 Layers of Culture



# Characteristics of Organizational Culture

- Innovation and risk-taking
- Attention to detail
- Outcome orientation
- People orientation
- Team orientation
- Aggressiveness
- Stability

# Exhibit 10-2 Contrasting Organization Cultures

## Organization A

- Managers must fully document all decisions.
- Creative decisions, change, and risks are not encouraged.
- Extensive rules and regulations exist for all employees.
- Productivity is valued over employee morale.
- Employees are encouraged to stay within their own department.
- Individual effort is encouraged.

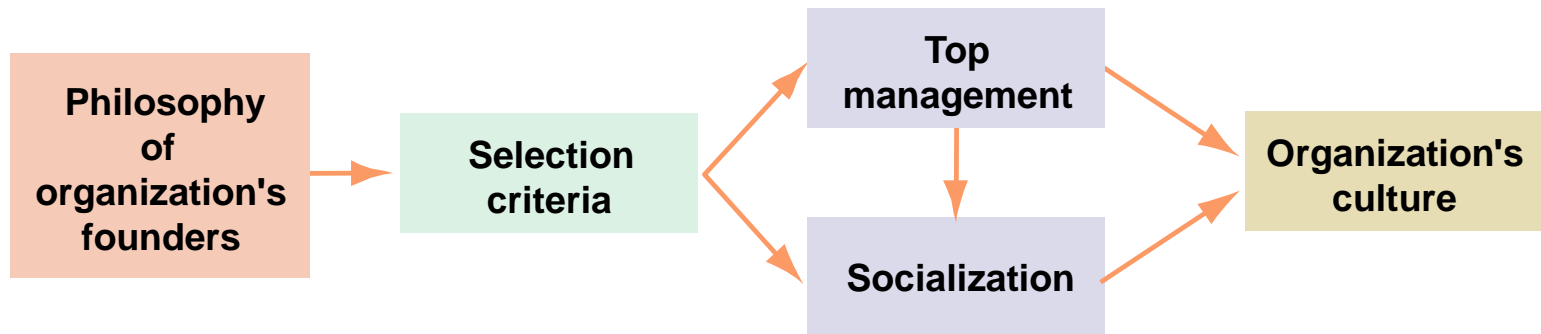
## Organization B

- Management encourages and rewards risk-taking and change.
- Employees are encouraged to “run with” ideas, and failures are treated as “learning experiences.”
- Employees have few rules and regulations to follow.
- Productivity is balanced with treating its people right.
- Team members are encouraged to interact with people at all levels and functions.
- Many rewards are team based.

# Do Organizations Have Uniform Cultures?

- Organizational culture represents a common perception held by the organization members.
- Core values or dominant (primary) values are accepted throughout the organization.
  - Dominant culture
  - Subcultures

# Exhibit 10-3 How Organizational Culture Forms



# Keeping a Culture Alive

- Selection
- Top Management
- Socialization

# Culture's Functions

- Social glue that helps hold an organization together
- Boundary-defining
- Conveys a sense of identity for organization members

# Culture's Functions

- Facilitates commitment to something larger than one's individual self-interest
- Enhances social system stability
- Serves as a “sense-making” and control mechanism

# Culture as a Liability

- Culture can have dysfunctional aspects in some instances
  - Culture as a Barrier to:
    - Change
    - Diversity
    - Mergers and Acquisitions

# Conditions for Culture Change

- A dramatic crisis
- Turnover in leadership
- Young and small organizations
- Weak culture

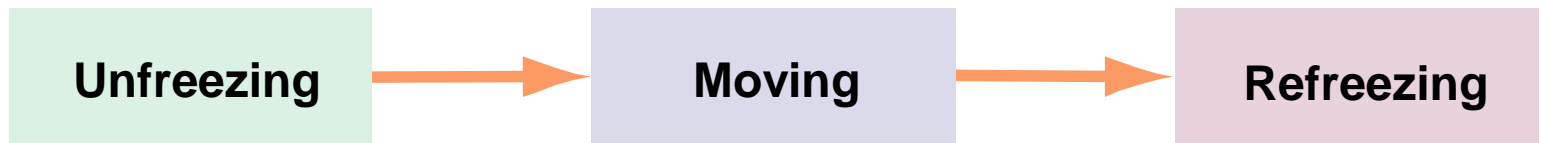
# Exhibit 10-6 Suggestions for Changing Culture

- Have top-management people become positive role models, setting the tone through their behaviour.
- Create new stories, symbols, and rituals to replace those currently in vogue.
- Select, promote, and support employees who espouse the new values that are sought.
- Redesign socialization processes to align with the new values.

# Exhibit 10-6 Suggestions for Changing Culture (cont'd)

- Change the reward system to encourage acceptance of a new set of values.
- Replace unwritten norms with formal rules and regulations that are tightly enforced.
- Shake up current subcultures through transfers, job rotation, and/or terminations.
- Work to get peer group consensus through utilization of employee participation and creation of a climate with a high level of trust.

# Exhibit 10-7 Lewin's Three-Step Change Model

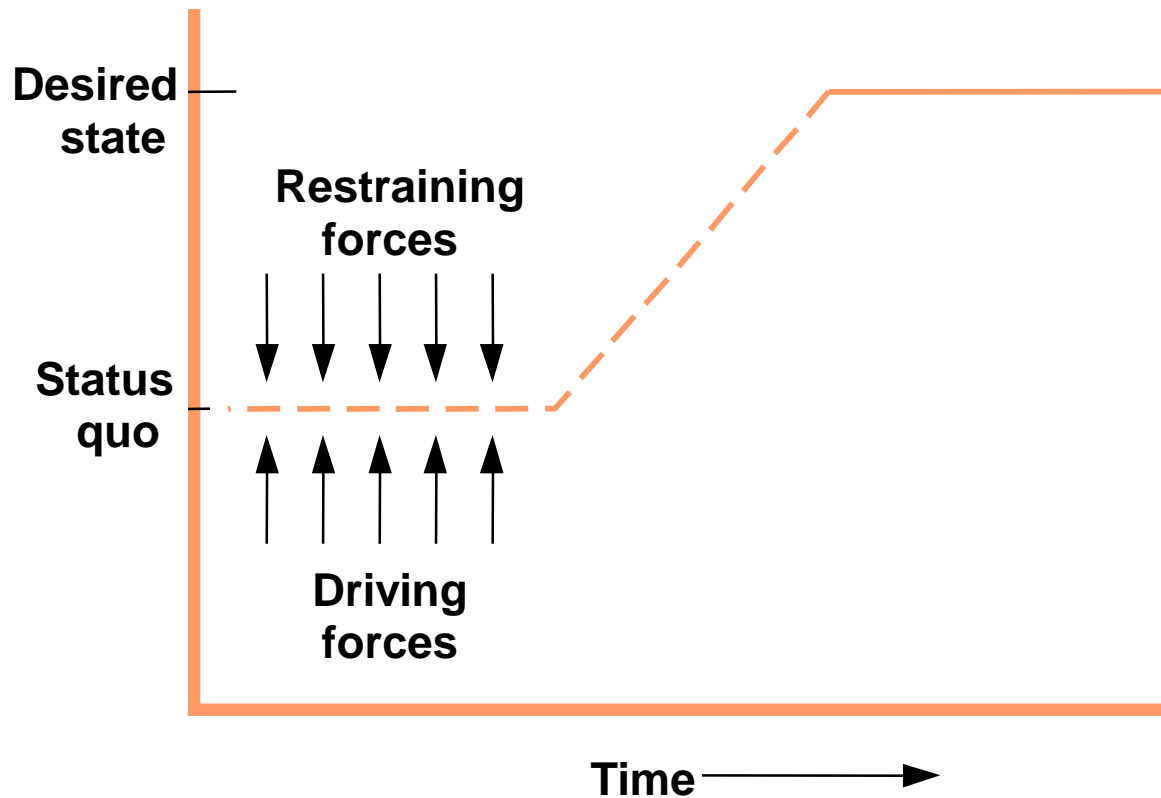


# Implementing Change

- Unfreezing: getting ready for change
- Moving: making the change
- Refreezing: stabilizing the change

# Exhibit 10-8

## Unfreezing the Status Quo



# Unfreezing

- Arouse dissatisfaction with the current state
- Activate and strengthen top management support
- Use participation in decision making
- Build in rewards

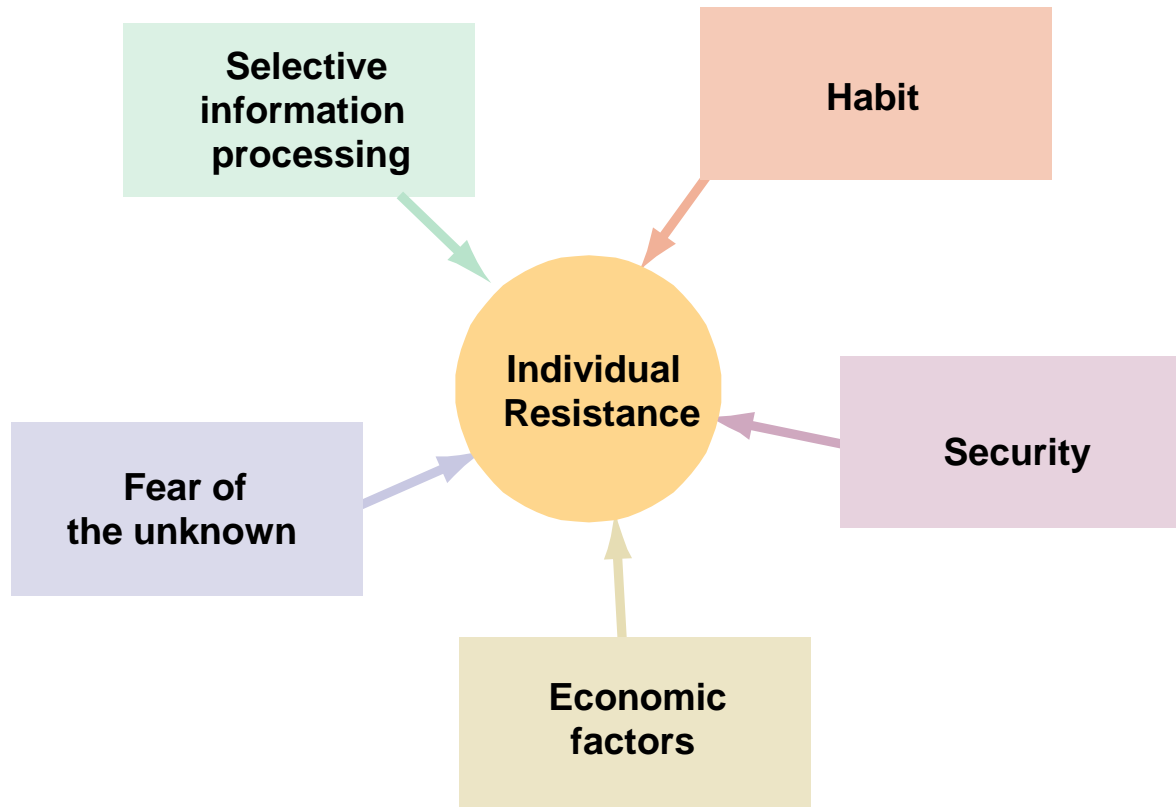
# Moving

- Establish goals
- Institute smaller, acceptable changes that reinforce and support change
- Develop management structures for change
- Maintain open, two-way communication

# Refreezing

- Build success experiences
- Reward desired behaviour
- Develop structures to institutionalize the change
- Make change work

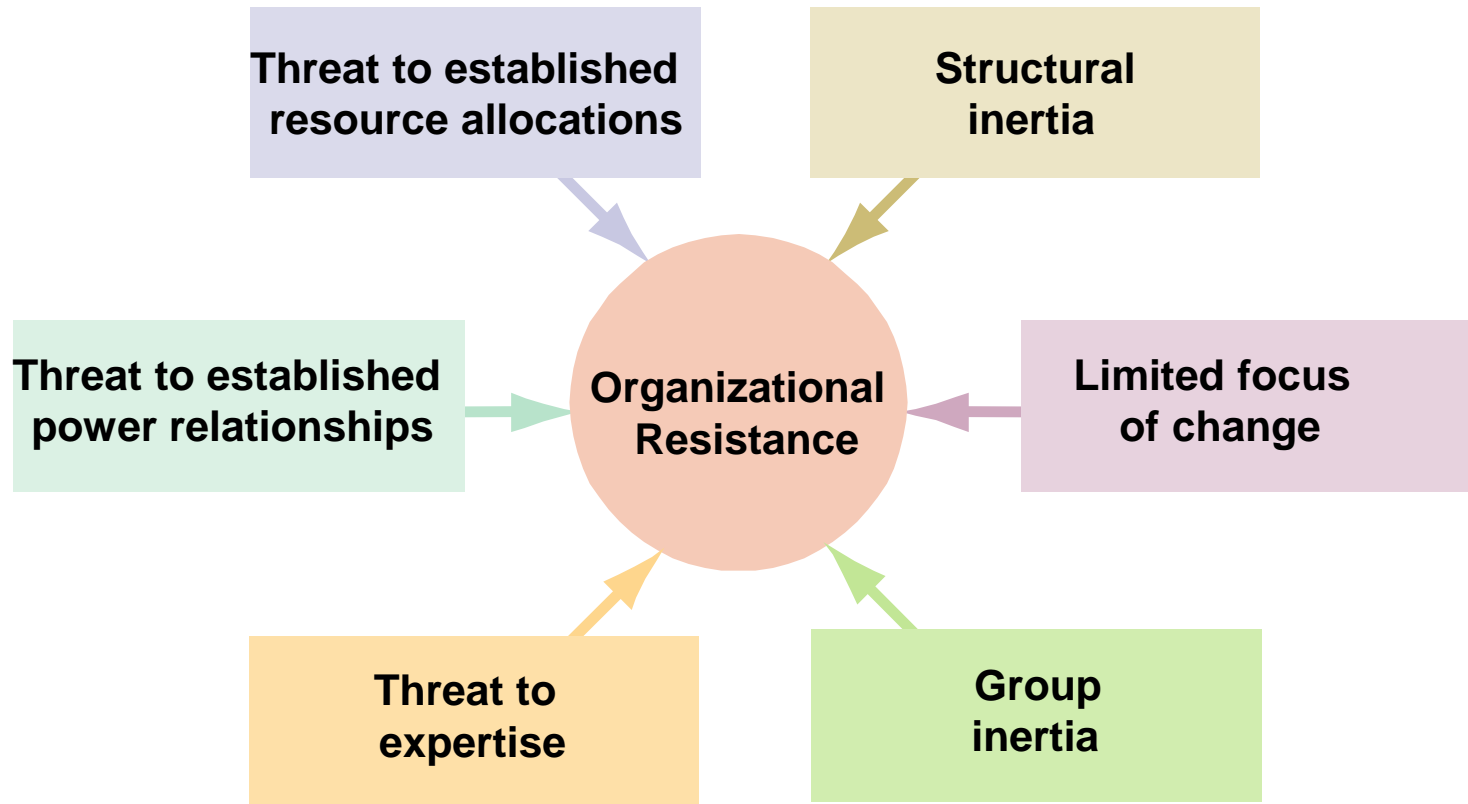
# Exhibit 10-9 Sources of Individual Resistance to Change



# Cynicism About Change

- Feeling uninformed about what was happening
- Lack of communication and respect from one's supervisor
- Lack of communication and respect from one's union representative
- Lack of opportunity for meaningful participation in decision-making

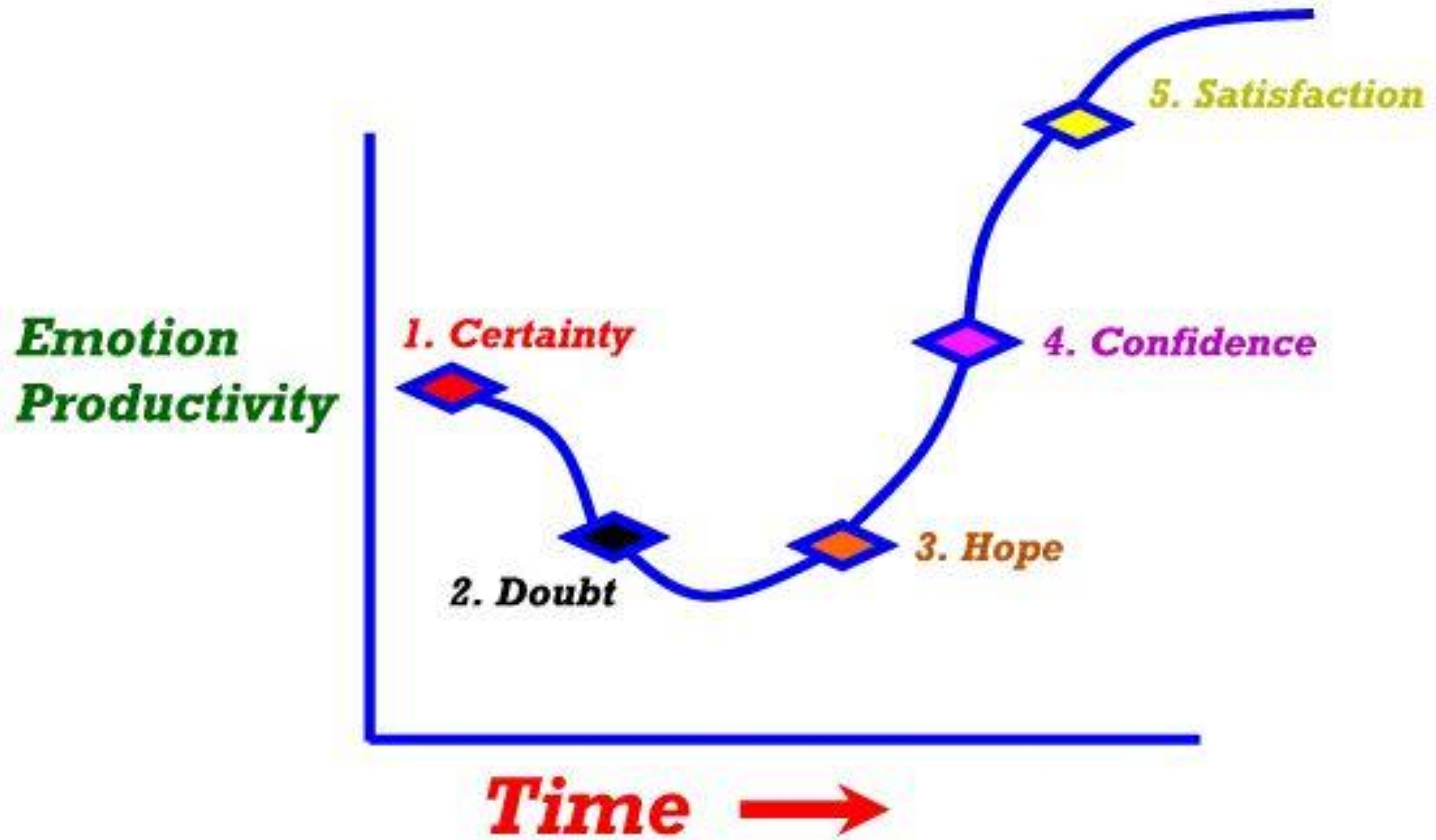
# Exhibit 10-11 Sources of Organizational Resistance to Change



# Overcoming Resistance to Change

- Education and Communication
- Participation
- Facilitation and Support
- Negotiation
- Manipulation and Cooperation
- Coercion

# Emotional Response to Change



# ***Change:***

**Situational – e.g. revising  
organizational values**

## ***Transition:***

**Psychological – internalizing and  
coming to terms**

# Managing the “Ending”

**Overreaction.**

**Loss and grieving.**

**Updates.**

**What’s over and what isn’t.**

**Respect.**

# **Managing the “Neutral Zone”**

**Encourage cohesion.**

**Short-term goals and checkpoints**

**Creativity, experimentation**

**Vision and outcomes.**

# Managing the “Beginning”

*Purpose*

*Picture*

*Plan*

*Part*

# The Bottom Line About Managing Transition

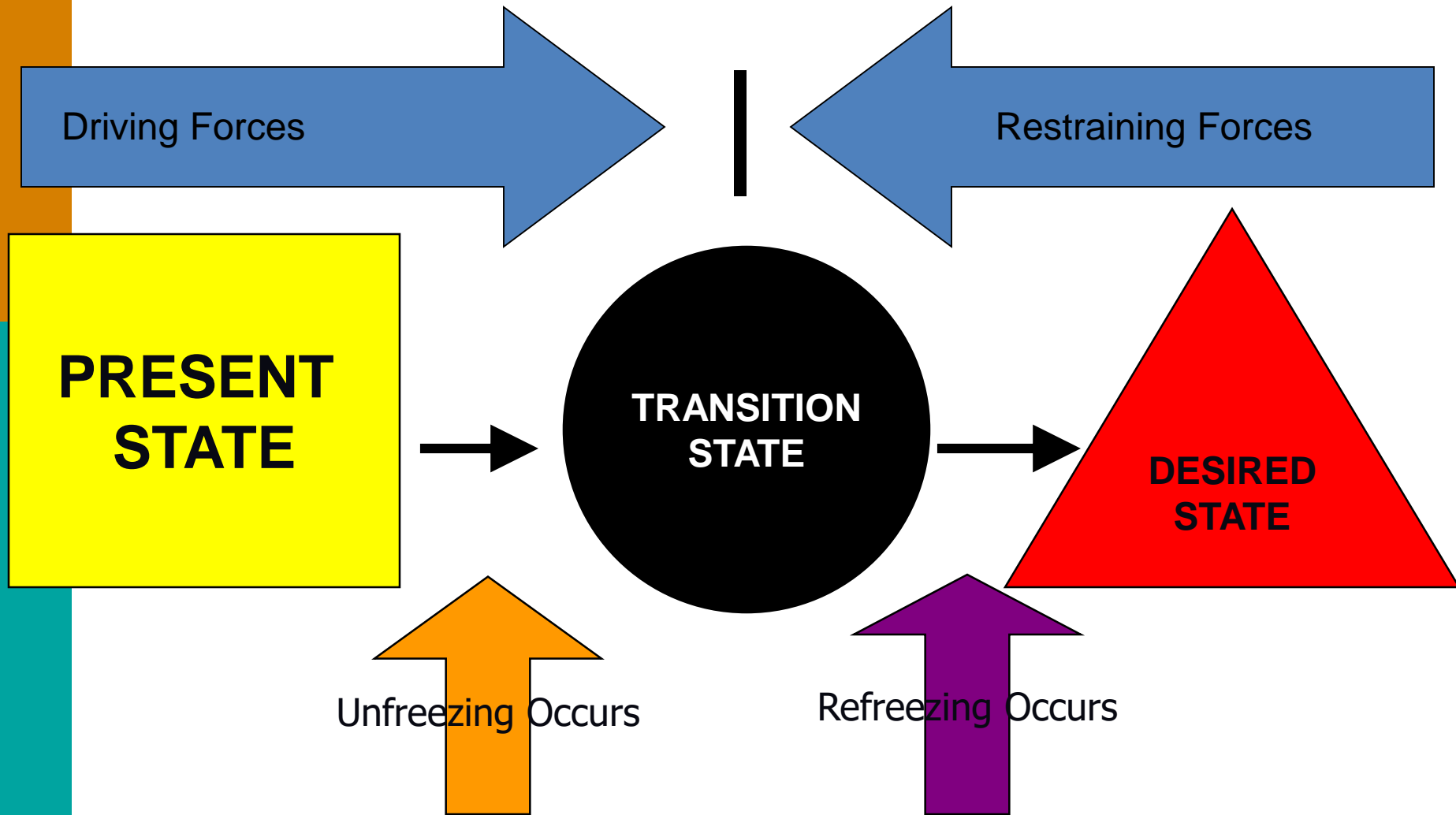
**Communication is the key factor for all three phases.**

***The Ending* –explain the vision**

***The Neutral Zone* –supportive and reassuring.**

***The Beginning* –raising energy and promoting action.**

# CHANGE IS A PROCESS OF TRANSITION



# Summary and Implications

- Employees form an overall subjective perception of the organization based on such factors as degree of risk tolerance, team emphasis, and support of people.
  - This overall perception becomes, in effect, the organization's culture or personality.
  - These favourable or unfavourable perceptions then affect employee performance and satisfaction, with the impact being greater for stronger cultures.
- Just as people's personalities tend to be stable over time, so too do strong cultures.
  - This makes strong cultures difficult for managers to change.

# Summary and Implications

- One of the more important managerial implications of organizational culture relates to selection decisions.
  - Hiring individuals whose values don't align with those of the organization is not good.
- Change must be managed, it is not an easy process
- Individuals and organizations resist change
  - To be successful at change, it is necessary to break down the resistance to change

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